



BRIEFING: APRIL 10, 2014 BOARD MEETING AGENDA ITEM #2

TO: Chairman Richard and Board Members

FROM: Dennis A. Trujillo, Chief Deputy Director

DATE: April 10, 2014

RE: Initiation of the Strategic and Succession Planning Process

Introduction

The California High-Speed Rail Authority (Authority) staff is presenting the Board of Directors with an overview of the plan and objectives for development of the 2014-2017 Strategic and Succession Planning process that is being initiated this month.

Strategic planning is an effective tool that assists organizations in managing for results and providing a framework for assessing organizational needs, establishing long-term goals, and developing strategies for achieving those goals. Due to these positive outcomes associated with strategic planning, all state departments are required to have an approved strategic plan. In addition, the Secretary of the California State Transportation Agency (CalSTA) encouraged each CalSTA entity to have a sound strategic planning process that provides for regular updating of the plan to ensure the organization is headed in the right direction.

Succession planning allows organizations to identify risks associated with losing key staff and defines a set of procedures to identify, develop, and retain talented individuals. The completed succession plan will provide guidance so that the Authority can identify internal replacement candidates and position itself to expeditiously fill critical vacancies with minimal interruption to the delivery of the nation's first high-speed rail system.

Background

In 2010, Authority staff, with the assistance of a contracted facilitator, produced the *California High-Speed Rail Authority Strategic Plan, 2010 through 2013* (attached). The plan identified the mission, vision, and values of the Authority as well major goals, objectives, and strategies going forward. During that strategic planning process, the facilitator was also engaged to provide guidance to the Authority for developing a plan for succession to ensure continuity in staffing. The succession planning process resulted in the *California High-Speed Rail Authority Succession Planning Guidance Document* (attached) that provided recommendations to the Authority for developing a succession plan.

Staff submitted the draft 2010-2013 strategic plan to the Executive/Administrative Committee of the Board in early 2010 and revised the plan based on recommendations from the Committee. The Board adopted the final strategic plan on May 6, 2010 (Resolution #HSRA10-018, attached).

In October 2013, the Authority issued Request for Offer (RFO 13-48) to retain a consultant to assist in developing the 2014-2017 Strategic Plan as well as preparing and implementing a succession plan. The Authority sought out the small business community for the project and by November 15, 2013, the closing date of the RFO, had received two proposals. After evaluating the proposals, the selection committee recommended and received approval to award the \$80,000 contract for Strategic Planning and Succession Planning Services to the Highlands Consulting Group (Highlands), a California Certified Small Business. The Authority issued a limited notice to proceed to Highlands on March 20, 2014 to implement the planning process for the development of the 2014-2017 Strategic Plan and succession plan.

Discussion

Highlands has considerable experience in the facilitation of strategic planning and business process improvement and has worked with a wide range of clients at all levels ranging from board members, agency secretaries, and department directors. They were recently engaged to assist CalSTA in planning and organizing the California Transportation Infrastructure Priorities (CTIP) program to refine the state's transportation infrastructure needs assessment, explore long-term pay-as-you-go funding options, and evaluate the most appropriate level of government to deliver investments to meet the state's transportation needs. Highlands also assisted the California Department of Motor Vehicles in developing and implementing strategies for allocating resources and developing benchmarks for measuring outcomes and processes. In addition, Highlands assisted in strategic planning projects with the following departments, authorities and commissions:

- The Department of Corrections and Rehabilitation
- The California Joint Powers Insurance Authority
- The California Office of Emergency Services
- The California Student Aid Commission.

The Highlands Consulting Group proposal details their approach to the project, including specific tasks and deliverables. The planning process will commence with interviews with Board members and key executive staff and will include interviews and meetings with Authority staff. The specific tasks are outlined below:

Task 1 – The consultant will initiate the project with a kick-off meeting with the contract manager and other staff as needed to identify desired outcomes, explore the organizational culture, and gather background materials. Task 1 will also confirm the project schedule, identify tasks and subtasks, and determine the work breakdown structure and activities.

Deliverable I – A detailed, written Project Work Plan

Task 2 – Conduct Preliminary Assessment, Interviews, and Strength, Weaknesses, Opportunities and Threats (SWOT) assessment. During Task 2 the consultant will review pertinent background information and materials in order to develop an understanding of the Authority's operational and process details and will interview Board members and key staff.

Deliverable II – Written summaries of meetings, including results of the SWOT analysis.

Deliverable III – Preliminary assessment of the strategic plan and succession plan guidance document.

Task 3 – Revise Strategic Plan. The consultant will evaluate and recommend revisions to the strategic plan based on interviews and leadership working sessions. The consultant will prepare an executive presentation summarizing written recommendations for the 2014-2017 Strategic Plan.

Deliverable IV.A – Written recommended revisions to the strategic plan, including mission, vision, values, goals, objectives, strategies, and performance measures.

Deliverable IV.B – Semi-final strategic plan. Based on feedback from the Board and executive staff, the consultant will submit a draft strategic plan.

Task 4 – The consultant will revise the succession plan guidance document. The consultant will review and develop, as needed, a succession plan guidance document based on interviews and best practices. The task will include recommendations to improve the succession planning with new tools such as worksheets and checklists to support the succession planning process.

Deliverable V.A – Written recommended changes to the succession plan guidance document.

Task 5 – The consultant will develop a succession plan that will identify the risks of losing current key staff and define a consistent set of specific procedures to ensure identification, development and long-term retention of talented individuals needed to effectively manage the project.

Deliverable V.B – Draft succession plan.

Deliverable VI – All final plans due before the end of the contract period. The consultant will deliver a final strategic plan, a succession plan guidance document and a final succession plan.

Task 6 – Ongoing guidance of succession plan implementation. The consultant will assist the Authority in implementing the succession plan as the contract budget allows.

Staff anticipates the strategic and succession plans will be finalized before the end of 2014. Throughout the planning process, staff will provide the Board with periodic reports on progress toward meeting key milestones established in the contract and will solicit feedback from the Board to ensure the mission, vision, and values of the Board are incorporated into the final strategic plan and that the goals, objectives, and strategies align with Board intent. Authority staff will request that the Board adopt the final strategic and succession plans.

Recommendations

This item is informational only and is presented for Board discussion to solicit feedback and direction to staff.

Attachments

- California High-Speed Rail Authority Strategic Plan 2010-2013
- California High-Speed Rail Authority Succession Planning Guidance Document
- California High-Speed Rail Authority Resolution #HSRA 10-018